



## GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service  
United States Department of Agriculture

MAY 29, 2003

<u>TM GRAIN TRANSPORT COST</u> <u>INDICATORS</u>	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Ocean</u>	
				Gulf	PNW
Indicator Value* for 05/29	96	101	75	140	163
Compared to Last Week	↓	↑	↓	↓	↓
*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan					

**Port of Brunswick To Export More Wheat.** According to recent reports, the Georgia Ports Authority is expecting to ship a bumper crop of wheat out of the Port of Brunswick this summer. Executive Director Doug Marchand stated that the port is anticipating transporting 100,000-150,000 tons of wheat through the port from July to August. Although no Georgia wheat was exported from this location last year, approximately 35-50 percent of the amount moved through the port this summer is likely to come from Georgia farmers. Agri-bulk shipments throughout the Port of Brunswick have increased by about 576,719 tons since 1997, according to agricultural commodities specialist, Charlie Regini. The USDA March forecast for planted acres of Georgia wheat in 2003 is 380,000 acres, up 9 percent from last year and 27 percent from 2 years ago. The agricultural bulk facility at the Port of Brunswick has a storage capacity of up to 64,800 tons. The facility can also handle 200 covered hopper cars and is supplied by a short line railroad that switches with CSX and Norfolk Southern railroads. *The Journal of Commerce Online*, 5/19

**Higher Fertilizer Prices in Corn States.** Corn producers are becoming concerned about the high cost of fertilizer. Prices for fertilizer during certain periods have doubled since last year in some areas. In April, USDA reported that prices paid for anhydrous ammonia averaged \$373 per ton nationwide, with prices considerably higher in the Northwest (\$528 per ton) and Southwest (\$414 per ton). In March, wholesale prices averaged \$485 per ton, compared with \$257 per ton at the same time last year. The increases are mainly due to the recent rise in natural gas prices. The situation has forced some corn farmers to plant soybeans instead of corn. Soybeans generally require less fertilizer. Larger farmers have not been affected as much as smaller producers due to their ability to take advantage of the lower fertilizer prices available after last year's drought. *Soyatech.com*, 5/15

**Mississippi River Barge Traffic Slow First Quarter But Conditions Improving.** Lingering problems with water levels along the Mississippi River have escalated recently due to smaller amounts of snow accumulating in the Great Plains with less runoff entering the river. The river reportedly reached one of its lowest levels in 30 years in January, affecting barge movements between St. Louis, MO, and Cairo, IL. Better conditions were expected during the spring as the water levels rose, but business has shown some improvement recently.

Grain shipments represent about 50 percent of total barge movements at St. Louis. According to the Army Corps of Engineers, about 10.6 million tons of grain was transported through Lock 27 (Granite City, IL) from January through April of this year, down 10 percent from last year at this time. Total tonnage through the lock was not affected significantly due to the movement of other products such as coal and chemicals. Conditions are expected to improve as water levels rise and grain planting comes to a halt. Most corn plantings are nearly complete, and over 60 percent of soybean plantings are expected to be completed soon. *Newsedge.com*, 5/14

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The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

### Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

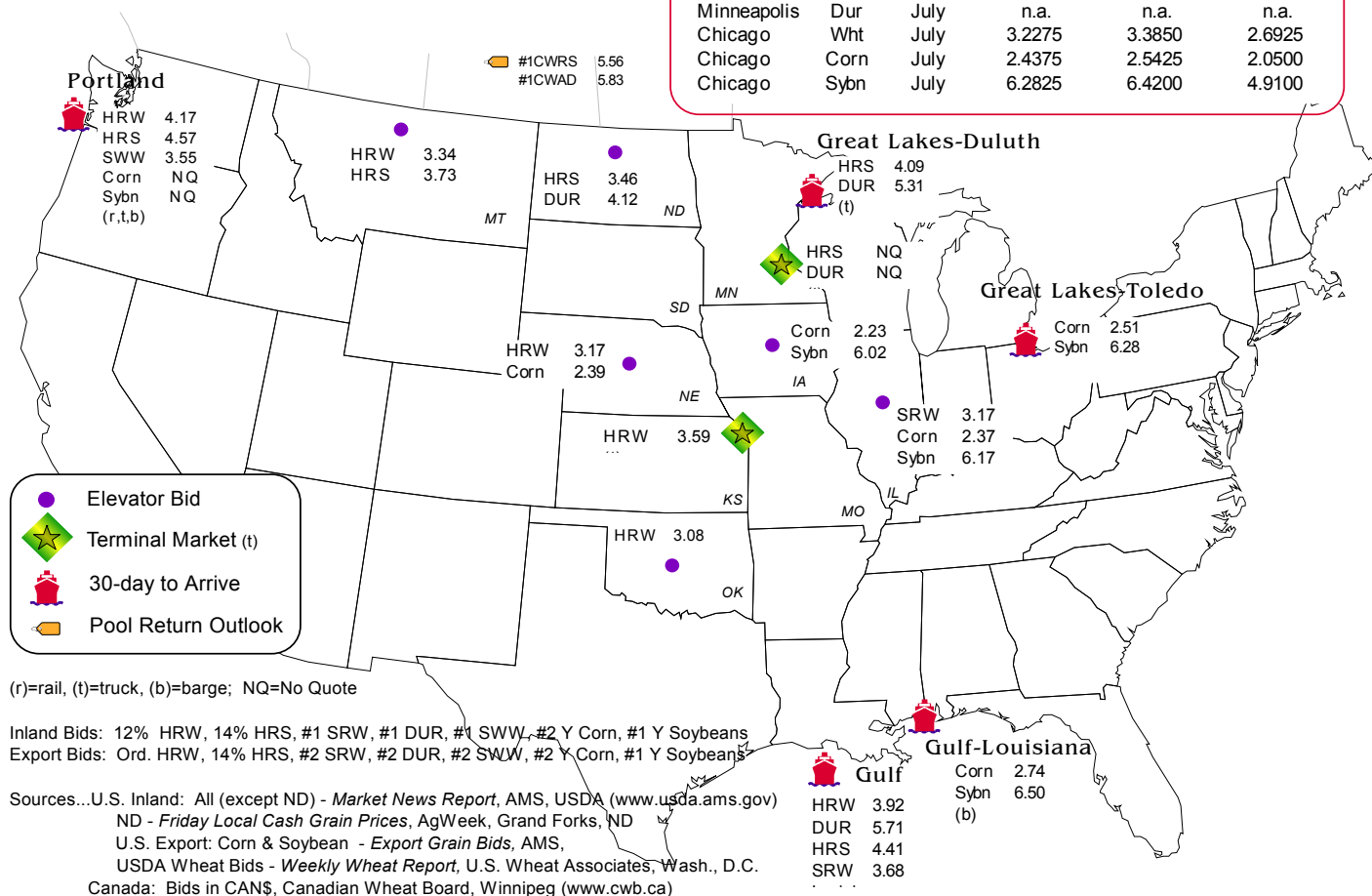
Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.37	-0.36
Corn	NE -- Gulf	-0.35	-0.32
Soybean	IA -- Gulf	-0.48	-0.44
HRW	KS -- Gulf	-0.33	-0.38
HRS	ND -- Portland	-1.11	-1.04

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

## Grain Bid Summary

### Futures:

			05/23/2003	Week Ago 05/16/2003	Year Ago 05/24/2002
Kansas City	Wht	July	3.2650	3.4950	2.8075
Minneapolis	Wht	July	3.5650	3.7775	2.9375
Minneapolis	Dur	July	n.a.	n.a.	n.a.
Chicago	Wht	July	3.2275	3.3850	2.6925
Chicago	Corn	July	2.4375	2.5425	2.0500
Chicago	Sybn	July	6.2825	6.4200	4.9100



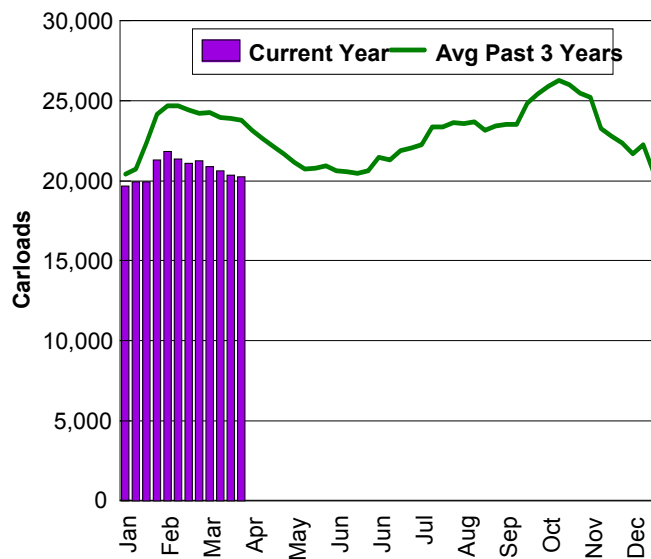
## RAIL TRANSPORTATION

## Rail Deliveries to Port (Carloads)

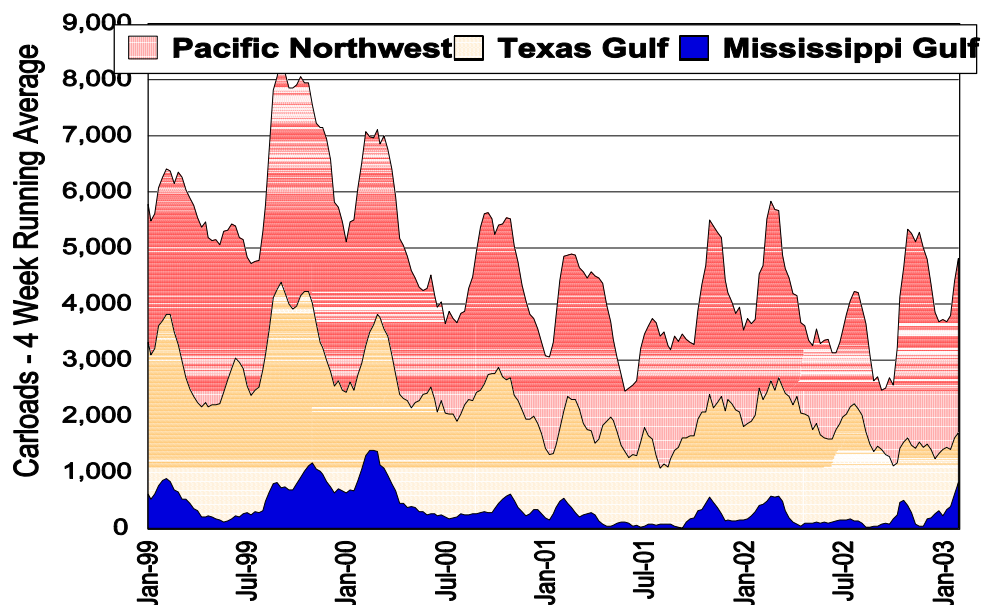
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
05/07/03	15	758	2,008	33	2,814
05/14/03	10	1,078	1,604	61	2,753
YTD 2003	8,071	21,369	64,230	8,876	102,546
YTD 2002	5,625	38,558	41,580	10,858	96,621
% YTD 2002	143%	55%	154%	82%	106%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation &amp; Marketing/AMS/USDA; (\*) Incomplete Data

## Grain Car Loadings for Class I Railroads



## Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

## Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
05/17/03	2,581	2,984	5,421	312	9,677	20,975	2,963	3,103
This Week Last Year	2,747	2,857	6,455	412	6,448	18,919	4,667	3,302
2003 YTD	55,498	64,294	149,086	6,871	130,513	406,262	66,962	69,134
2002 YTD	58,104	63,668	147,580	11,760	133,758	414,870	81,966	72,785
% of Last Year	96%	101%	101%	58%	98%	98%	82%	95%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

## U.S. Rail Covered Hopper Cars Online Index\*

April-03	95.0	101.7	94.4	92.6	91.4	94.6
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Source: Association of American Railroads; \*Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

### Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jul-03	Aug-03	Sep-03
COT/N. Grain	\$0	\$0	\$(141)
COT/S. Grain	no bid	no bid	\$0
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	\$1	\$2	\$1

Source: Transportation & Marketing/AMS/USDA.

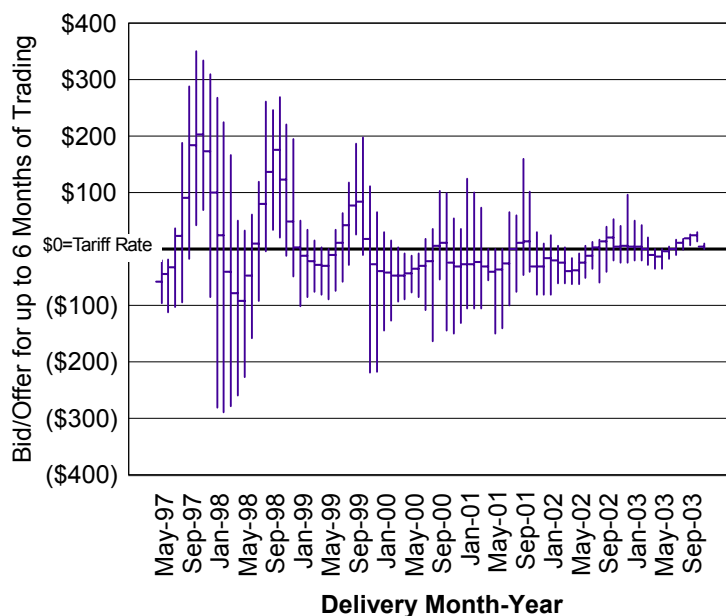
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

### Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Jun-03	Jul-03	Aug-03	Sep-03
BNSF-GF	\$(1)	\$(1)	\$1	\$16
UP-Pool	\$(10)	\$3	\$17	\$26

### Secondary Rail Market Bid



### Tariff Rail Rates for Unit Train Shipments

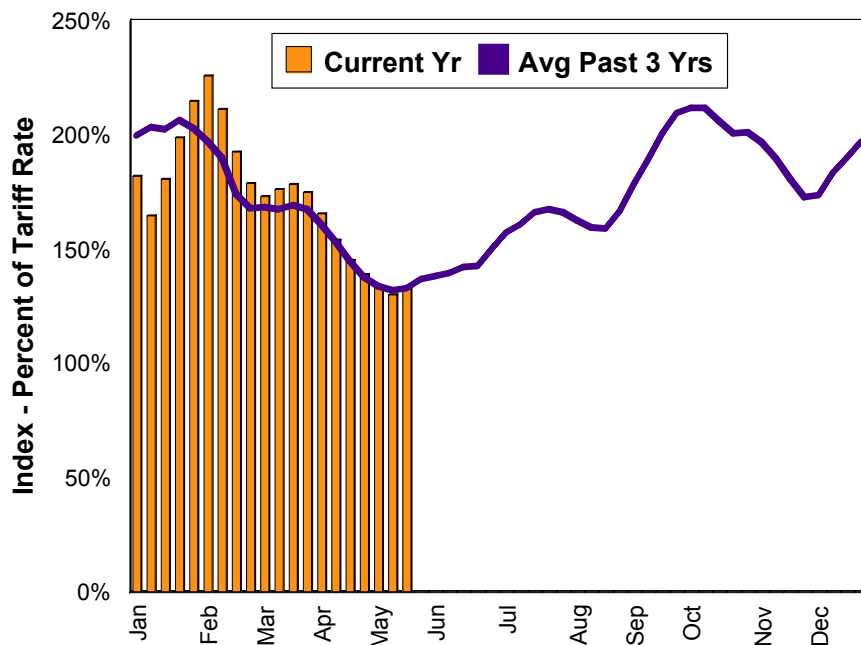
May 2003

Source: [www.bnsf.com](http://www.bnsf.com), approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu\*

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/05/03	113710	Wheat	Kansas City, MO	Galveston, TX	\$1,650	\$18.19	\$0.50
05/05/03	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
05/05/03	46540	Wheat	St. Louis, MO	Houston, TX	\$1,695	\$18.68	\$0.51
05/05/03	113710	Wheat	Kansas City, MO	Laredo, TX	\$2,110	\$23.26	\$0.63
05/05/03	15507	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
05/05/03	31005	Corn	Minneapolis, MN	Portland, OR	\$2,700	\$29.76	\$0.76
05/05/03	1132.002	Corn	Chicago, IL	Baton Rouge, LA	\$1,845	\$20.34	\$0.52
05/05/03	1132.03	Corn	Council Bluffs, IA	Baton Rouge, LA	\$1,970	\$21.72	\$0.55
05/05/03	113210	Corn	Evansville, IN	Raleigh, NC	\$1,816	\$20.02	\$0.51
05/05/03	1132	Corn	Des Moines, IA	Laredo, TX	\$2,525	\$27.83	\$0.71
05/05/03	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,115	\$34.34	\$0.93
05/05/03	61410	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,073	\$22.85	\$0.62
05/05/03	61110	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,020	\$22.27	\$0.61
05/05/03	1144	Soybeans	Des Moines, IA	Laredo, TX	\$2,817	\$31.05	\$0.85
05/05/03	11441	Soybeans	Evansville, IN	Raleigh, NC	\$1,816	\$20.02	\$0.54

## BARGE TRANSPORTATION

### Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate Per Ton**:  
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

#### BARGE RATE QUOTES: Southbound Barge Freight

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	5/21/03	5/14/03	June '03	August '03
Twin Cities	186	189	188	201
Mid-Mississippi	153	161	158	174
Illinois River	141	148	144	163
St. Louis	106	85	112	144
Lower Ohio	114	118	124	151
Cairo-Memphis	143	103	110	139

Source: Transportation & Marketing /AMS/USDA

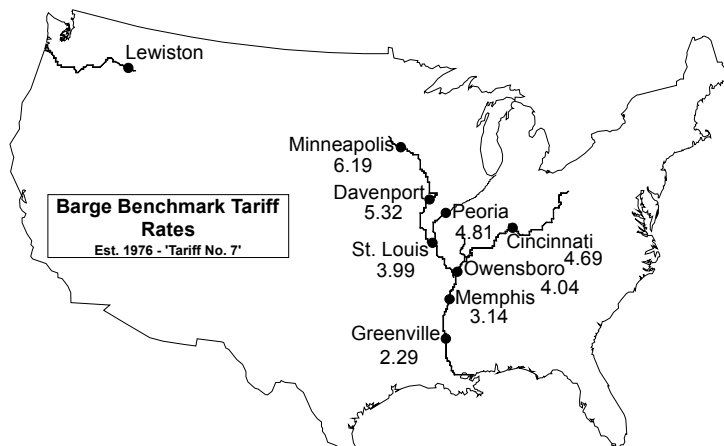
### BARGE FUTURES MARKET

#### Southbound Barge Freight Nominal/Cash Basis Values

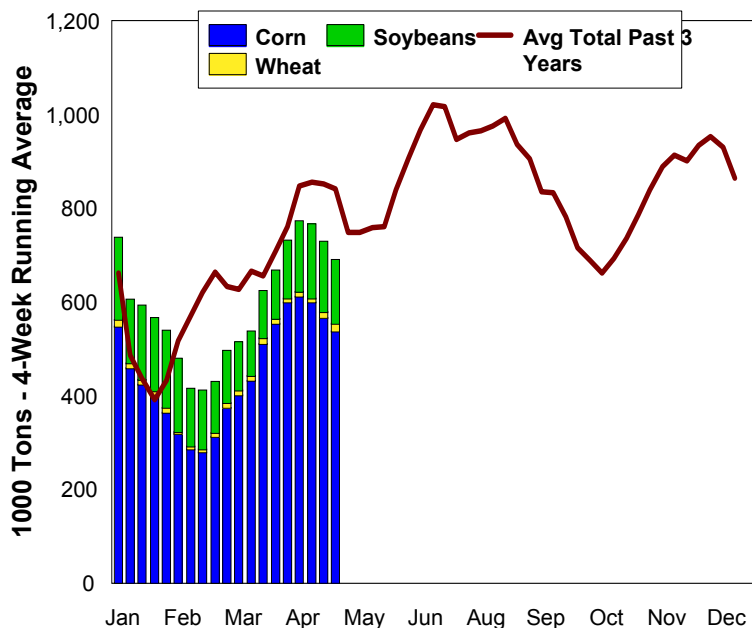
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
5/27/03	St. Louis	Jun	n/a	125
		Aug	n/a	155
		Oct	n/a	210
		Nov	n/a	153
		Dec	n/a	135
	Illinois River	Jun	n/a	138
		Aug	n/a	170
		Oct	n/a	225
		Nov	n/a	175
		Dec	n/a	165

Source: St. Louis Merchants Exchange



## Barge Movements on the Mississippi River (Lock 27)

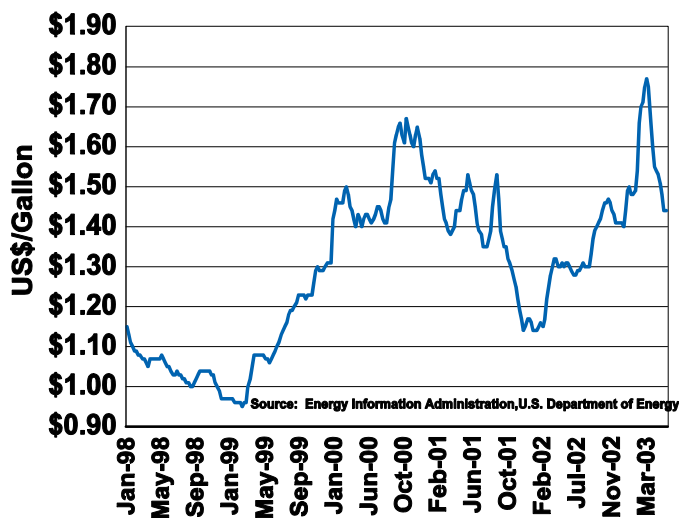
Barge Grain Movements (1,000 Tons)  
for week ending 5/17/03

	Corn	Wht	Sybn	Total
<b>Mississippi River</b>				
Rock Island, IL (L15)	366	8	38	412
Winfield, MO (L25)	378	9	58	446
Alton, IL (L26)	587	5	59	651
Granite City, IL (L27)	543	12	54	610
<b>Illinois River (L8)</b>	147	0	6	153
<b>Ohio River (L52)</b>	20	0	14	33
<b>Arkansas River (L1)</b>	0	7	3	0
2003 YTD	10,060	643	3,777	14,856
2002 YTD	12,788	843	4,131	18,486
% of 2002 YTD	79%	77%	92%	81%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers,  
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

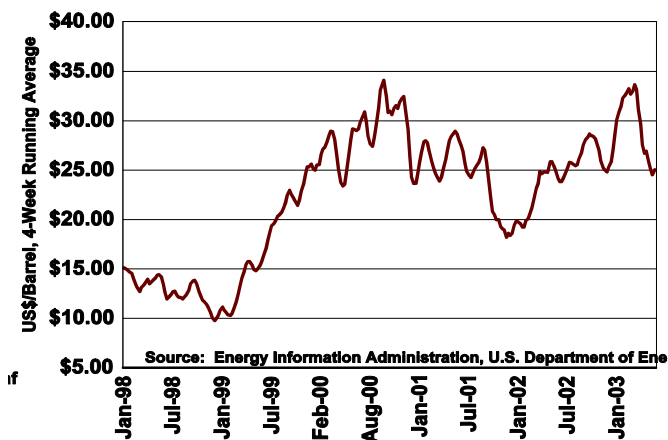
## TRUCK TRANSPORTATION

## Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

## Weekly Brent Crude Price, Friday Close



## Crude Oil Prices (05/27/03)

US\$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	28.16	28.11	↑
Brent Crude	26.28	26.49	↓

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

<b>GRAIN EXPORTS</b>
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**U.S. Export Balances (1,000 Metric Tons)**

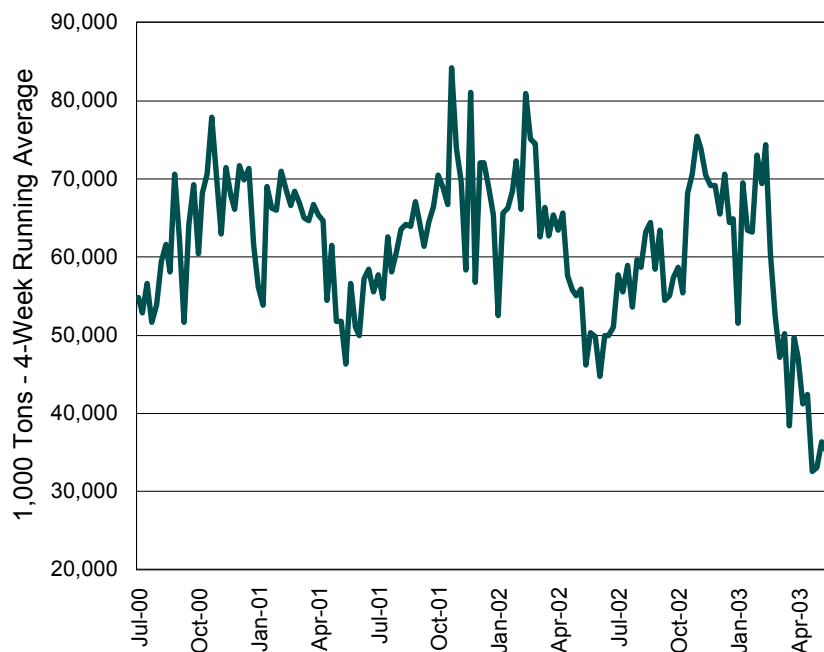
	Wheat					Corn	Soybean	Total
	HRW	SRW	HRS	SWW	DUR			
05/15/2003	1,220	337	1,173	595	165	3,489	6,045	12,363
This Week Year Ago	571	278	397	317	21	1,583	6,814	10,826
Cumulative Exports-Crop Year								
02/03 YTD	6,742	2,801	6,347	3,404	720	20,013	27,930	73,644
01/02 YTD	8,401	5,386	5,338	33,045	1,108	23,279	32,618	81,099
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	101,185

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)

**Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)**

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
05/22/03	160	0	59	57	564	189	82	0	0	219	810	82
2003 YTD	3,352	2,189	2,424	1,707	10,590	8,932	1,687	529	50	7,965	21,229	2,266
2002 YTD	3,523	1,880	1,159	2,522	15,297	8,638	2,467	111	245	6,562	26,457	2,822
% of 2002 YTD	95%	116%	209%	68%	69%	103%	68%	477%	20%	121%	80%	80%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

**U.S. Grain Inspected for Export****Select Canadian Port Export Inspections**

1,000 Metric Tons, Week End Summary

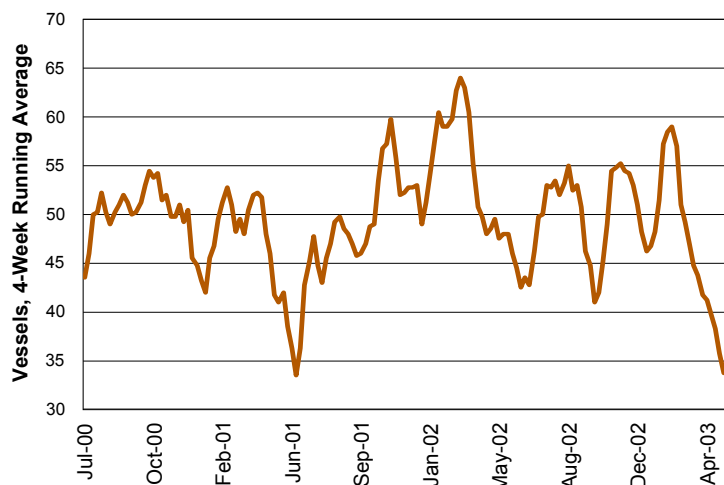
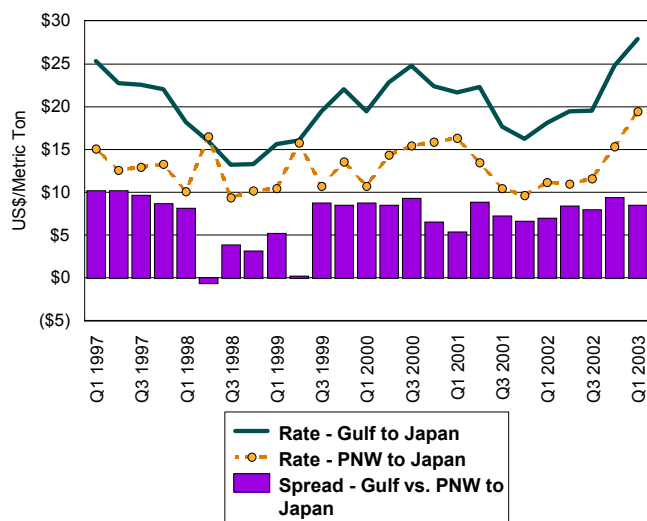
04/17/2003	Wheat	Durum	Barley
Vancouver	11		4
Prince Rupert			
Prairie Direct	17		1
Thunder Bay			
St. Lawrence	3,460	1,798	256
2001/02 YTD	8,878	2,283	711
2002/03 YTD	3,488	1,798	261
% of Last Year	255%	127%	272%

Source: Canadian Grains Commission, Crop Year 8/1-7/31

**Port Region Ocean Grain Vessels**

	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
05/15/03	23	36	43	11	7
05/22/03	25	34	44	6	6
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation &amp; Marketing /AMS/ USDA

**Gulf Port Region Grain Vessel Loading Past 7 Days****Grain Vessel Rates to Japan****Quarterly Ocean Freight Rates**

Average Rates &amp; Percentage Changes, U.S. Dollars/Metric Ton

	2003 1 <sup>st</sup> Qtr	2002 1 <sup>st</sup> Qtr	% Change		2003 1 <sup>st</sup> Qtr	2002 1 <sup>st</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$27.91	\$18.25	53%	Japan	\$19.43	\$11.31	72%
Mexico	-	\$31.49	-				
Venezuela	\$15.00	-	-				
<b>N. Europe</b>				<b>Argentina/Brazil to</b>			
N. Europe	\$14.50	\$10.67	36%	Med. Sea	\$25.35	\$17.85	42%
N. Africa	-	\$17.58	-	N. Europe	-	\$13.48	-
Med. Sea	\$14.50	\$10.97	32%	Japan	-	\$25.59	-

Source: Transportation &amp; Marketing/AMS/USDA

**Ocean Freight Rates for Selected Shipments - week ending 5/24/03**

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	Netherlands	Grains	May 29/31	60,000	\$20.25
U.S. Gulf	Egypt	Heavy Grain	May 19/25	60,000	\$21.75
U.S. Gulf	Japan	Heavy Grain	June 4/17	54,000	\$32.50
U.S. Gulf	Japan	Heavy grain	June 10/24	56,000	\$32.00
U.S. Gulf	Angola	Maize Bggd	Jun 7/15	1,500	\$130.00*
PNW	China	Heavy Grain	July 6/16	56,000	\$19.75
River Plate	Algeria	Meals	June 5/15	20,000	\$41.00
Norfolk	Latvia	Wheatflour Bggd	Jun 20/30	1,650	\$70.61*

Source: Maritime Research Inc.

Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

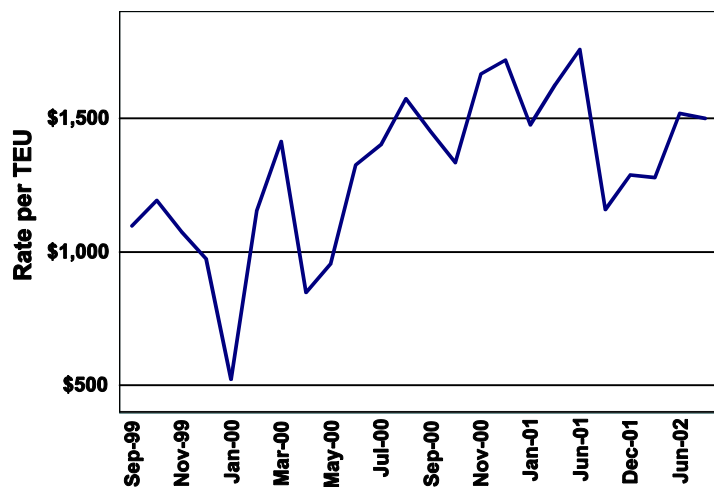
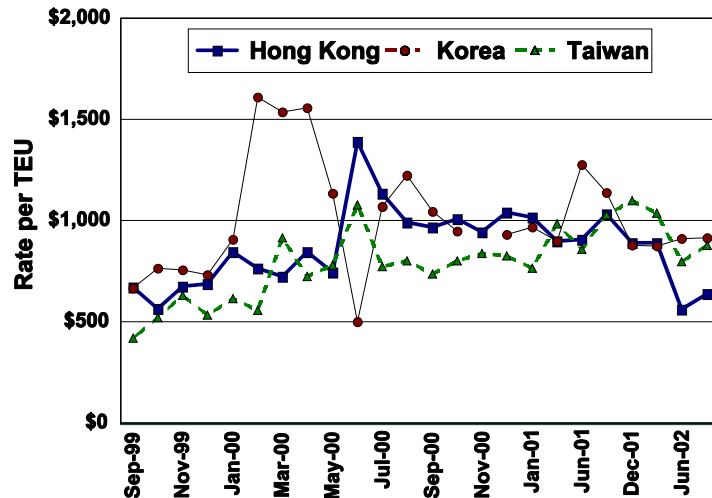
\*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

CONTAINER

**Container Ocean Freight Rates**

Average Rate per TEU, Weighed by Shipping Line Market Share

Source: Transportation &amp; Marketing/AMS/USDA, Quarterly Updates

**Container Rates - Soybeans**  
Seattle, WA Origin to Tokyo, Japan**Container Rates - Feed Grain**  
Seattle, WA Origin to Selected Destinations

Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.